

Ennis Independent School District  
303 West Knox Street      Ennis, Texas 75119

June 1, 2006

Letter of Appeal for E-Rate

Applicant Name: TRAVIS ELEMENTARY SCHOOL

Billed Entity Number: 85879

Form 471 Application Number: 369251

Funding Request Number: 1006519

Ennis Independent School District is requesting an APPEAL for the SLD decision to modify the amount of funds reimbursed due to what was thought to be ineligible products or services for **FRN 1006519** invoice **572852**.

**Ennis ISD has been notified by School and Library Division of this modification in the amount of \$34,561.66 for FRN 1006519**

**Questions will be answered by:**

Kay Weathers, Director of Technology

303 West Knox St., Ennis, TX 75119

Telephone: 972.875.1851

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E-mail [Kay.Weathers@ennis.k12.tx.us](mailto:Kay.Weathers@ennis.k12.tx.us)

**Notice of modified funding received by Technology for Education, Waco, Texas:**

"143015064|Technology for Education, LLC|teri.anderson@tfe-waco.com|usacstatement@universal-service.org|C000221149|1|103236.80|11/03/2005|N 143015064|**1006519**|TFE24374|103236.80|"SLD Invoice Number:**572852**;Line Item Detail Number:2056810;Amount Requested:138914.69;Modified to remove ineligible product or service;203;"

**Interpretation:**

This notes was attached to the checks for the reimbursements expected for invoices TFE24373 and TFE24374. It indicates that \$35,677.89 for FRN 1006519 would not be paid due to the inclusion of ineligible product or service.

**Argument:**

This application followed every single rule and requirement beginning in December 2002 following the Eligible Services for Year 6. As instructed by documentation and regulations, all requirements were followed to the letter. The 471 forms were submitted with the

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expectation of full compliance. Two reviewers asked questions about both locations, and answers were given without hesitation because we had checked and double checked the eligibility. We were very familiar with the products due to having done three such installations with grant funds and bond funds over the past number of years for new school installations. This product and its components are known as a Safari System. All components listed were designated and approved by multiple people with considerable understanding of the requirements of E-Rate. All approvals by SLD were received, thus the school district decided to go ahead with the installation once the funding came through. IF any of the elements that we expected to be approved as eligible had been designated as ineligible at that time, the school district would NOT have even begun these installations and would have just canceled the FRN's from the beginning primarily due to the need to budget exactly for all the components that had to be installed for this project that were NOT listed on the 471 due to the fact that they were NOT eligible. The timeline of events and approvals were significant concerns for our budgeting to manage all that was needed for both E-Rate funds percentage plus the additional ineligible, but needed products.

**Initial Timeline   E-Rate 2003YR6TRA (Travis Elementary):**

December 3, 2002	Submitted 470 forms online
December 4, 2002	Certifications for 470 received by Schools & Libraries Universal Service
December 9, 2002	470 Form Receipt Notification Letters
December 31, 2002	Allowable Contract Date
January 6, 2003	Submitted 471 Forms online
March 10, 2003	471 Form Receipt Notification Letters
November 4, 2003	Funding Commitment Decision Letter – “As Yet Unfunded”
March 3, 2004	Funding Commitment Decision Letter – “Funded”
	FRN: 1006519
	Funding Commitment Decision: \$334,325.74 – FRN approved as submitted
	July 1, 2003 – Earliest Possible Effective Date of Discount
	June 30, 2004 – Contract Expiration Date (2003TRA-104)
May 21, 2004	Submitted 486 Forms

**Rationale:**

We do not feel that we did anything wrong. We planned carefully only because we so strongly believe in this Safari System and were PLEASED to understand at that time that SLD did also. We checked and double-checked eligible services at that time; we welcomed the questions of the reviewers because we wanted to know that all was within the requirements. The interpretation of the Eligible Services dated October 18, 2002 (the effective list of services for this FRN) was the same by so very many people, including the

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reviewers from SLD. Once the final funding was approved "as submitted," we took it to mean that we could proceed and budget accordingly. If we had had any doubts as to the correctness of what we were doing, we would never have begun installation and thus put our schools in this position. **If we had received information before the funding or as a result of the funding that any of the equipment or services were ineligible, we would never have begun the project and would have turned back via the Form 500 anything that had been funded.** But, that was not the case, we were funded, excited, and thus carried through the planning and execution of the projects.

**Additional Explanation:**

Due to the late in the year receipt of the funding (over two years after submission), the district took advantage of waiting until the change of the fiscal year (September 1<sup>st</sup>) to budget for and initiate this project. At all times we must stay within our budget, and there were overlappings of three years of possible E-Rate submissions to hope for and to manage. We are required by E-Rate participation to have an approved and active Technology Plan in place. We have had such a plan updated and approved on a yearly basis and take it very seriously. To pull an unbudgeted for amount out of the budget will make it impossible to complete the directives and expectations of the Technology Plan as required. Other campuses had to mark time to allow extra budgeting this past year to pay for these two schools E-Rate fundings and the additionally required products and services that were not funded by E-Rate. To find such unbudgeted for funds at this time would mean that we would have to transfer funds from other schools to make up this total of \$34,561.66. We will be shorting other schools technology budget projects which had to be put on hold for a year due to this project requiring more than normal funds to pay back the vendor for this unreimbursed amount. We had a USAC Extended Outreach visit for this type installation, and it was evident that the reviewer recognized the complexity and the value of the complete system.

**Requested documentation of items/services not being reimbursed:**

This information was requested by the vendor. The following is the answer received via e-mail from Scott Donnelly, SLD – Invoicing on December 2, 2005.

For Invoice 572852, the Modification of \$35,677.89 included the following costs:

Surge Protectors/power strips (this was allowed by the appeal to SLA)  
Multiplexer (demodulator) software (remote) and associated "install classroom software, CATV tuner, and assoc. head and pre-assembly and assemble head and equipment"

An email was sent on 10/18 requesting the costs for "\$ associated with the training, install, head-end pre-assembly, assemble head-end charges", but since the response you sent on 10/25 did not answer the specific questions, ALL install costs were removed.

**Details of the Interpretation of Invoice line items that were denied:**

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The following paragraphs indicate the item or service not being reimbursed, along with the original cost plus the amount that was approved as the discounted amount in brackets for the FRN involved.

The total Head-End Pre-Assembly costs were denied reimbursement since the associated costs with what was considered ineligible after the fact. Those costs were [80% = **\$2,560.00**] for FRN **1006519**. All were valid, eligible, and pre-approved and essential.

The total Head-End Equipment Assembly costs were denied reimbursement since the associated costs with what was considered ineligible after the fact. Those costs were \$9,850.00 [80% = **\$7,880.00**] for FRN **1006519**. All were valid, eligible, and pre-approved and essential.

WinRemote software and installation – this is the software that **facilitates/manages the eligible equipment to provide distance learning video and audio technologies allowing students in multiple locations to participate interactively with the presenting class or presentors**. This is the MAIN component of the Safari System. This is NOT user software; this is a NECESSARY component of the system. Those words were used specifically to describe an eligible feature that we understood to be desirable by SLD. This software does NOT contain any content. Without the software to provide the connectivity of one with the other, the system will not work. To not install this portion of this system on the management stations in the classrooms would be like installing computer cabling without the twisted pair receivers for each computer connection. This was looked at and understood and approved by the reviewers who did give the approvals. Software costs \$6,248.00 [80% = **\$4,998.40**] for **FRN 1006519** were valid, pre-approved, and essential for these installations. The software installation item has a cost of \$17,160.00 [80% = **\$13,728.00**] for **FRN 1006519** and both items were valid, pre-approved, and essential for these projects. This has been installed numerous times validly in many other E-rate installations in schools across the nation. The Safari Systems developers say that would be willing to help explain this more technically, if needed.

Our original reviewers from SLD were Edward Gabriel, David Simpson, and Brent Knudson.

Scott Donnelly, as requested, sent a follow-up e-mail on 12/5/05 with the details of the modifications.

**Summary of costs denied, though valid and approved in advance:**

**FRN: 1006519    Invoice: 572852**

Item	Pre-Discount Cost	80% Discount Cost	Eligibility Status YR 6
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Head-End Pre-Assembly	\$3,200.00	\$2,560.00	Eligible & Approved
Assemble Head-End Equip	\$9,850.00	\$7,880.00	Eligible & Approved
WinRemote Software	\$6,248.00	\$4,998.40	Eligible & Approved
Installation of Software	\$17,160.00	\$13,728.00	Eligible & Approved

**Request for Reconsideration:**

The vendor, Technology for Education, has not yet billed us for this shorted amount, but they will have to do that. If vendors are expected to bear this denial of payment, then it should be expected that vendors would not be willing to consider participation in such projects because this kind of action would ultimately put companies out of business. This is not the result of something this vendor wanted; it was the result of something we asked for and they complied to be trained to provide it for us. The denials or determination of anything to be considered ineligible should have been done BEFORE the funding so that such a hardship would not have been created.

This product, the Safari System, has longevity and far-reaching aspects of improving the educational process for all children. SLD should be extremely proud to have been part of this installation and I do trust and hope that all efforts will be made to re-examine the Eligible Services list for year 2002 and reconsider what this means to you and to us. We truly believe that SLD has more overlappings of years to deal with that we deal with, and that this was just an incident of thinking of what is currently allowed and not as what was previously allowed in the Eligible Services lists.

**Administrator's Decision on Appeal – Funding Year 2003-2004      April 10, 2003**

“After a thorough review of the appeal and all relevant supporting documentation, it has been determined that on October 18, 2005, the SLD Program Compliance Team contacted Teri Anderson, the service provider contact person, who was asked to provide the name and functionality of the user software, along with a breakdown of the training, installation, head-end pre-assembly and assemble head-end charges.... On October 21, 2005, the service provider responded, stating the software was WinRemote.... According to the SLD Eligible Services List, WinRemote software is end-user, remote management, application software and is ineligible for discount....”

This statement is a misunderstanding of the connectivity, purpose, and use of WinRemote. I believe the word “remote” itself gave cause for caution or concern to the SLD invoice reviewers, even though ALL the original reviewers agreed and accepted this NEED, thus approved it and led me to continue with the installation in the first place. WinRemote (or  
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as now called, Safari Pathways) is the client type installatin that **facilitates/manages the eligible equipment to provide distance learning video and audio technologies allowing students in multiple locations to participate interactively with the presenting class or presentors.** As I said earlier, to not install this portion of this system on the management stations in the classrooms would be like installing computer cabling without the twisted pair receivers for each computer connection.

**Thank you for your prompt consideration and attention to this matter. If you need faxed signatures on this document or ANY additional information, DO please let me know. I am trying to follow the recommendation to file electronically.**

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**Mike Harper**

Superintendent of Schools, Ennis Independent School District

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**Lisa Fincher**

Director of Finance, Ennis Independent School District

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**Kay Weathers (Submitting the Appeal)**

Directory of Technology, Ennis Independent School District